



City of Huntington Beach Planning and Building Department

STAFF REPORT

TO: Planning Commission
FROM: Scott Hess, AICP, Director of Planning and Building
BY: Jennifer Villasenor, Senior Planner *an*
DATE: April 12, 2011

SUBJECT: TENTATIVE TRACT MAP NO. 17397/COASTAL DEVELOPMENT PERMIT NO. 10-017 (PACIFIC MOBILE HOME PARK SUBDIVISION – CONVERSION FROM RESIDENT RENTAL TO OWNERSHIP)

**APPLICANT/
PROPERTY**

OWNER: Mark Hodgson, Pacific Mobile Home Park, LLC, 12838 Old Foothill Boulevard, Santa Ana, CA 92705

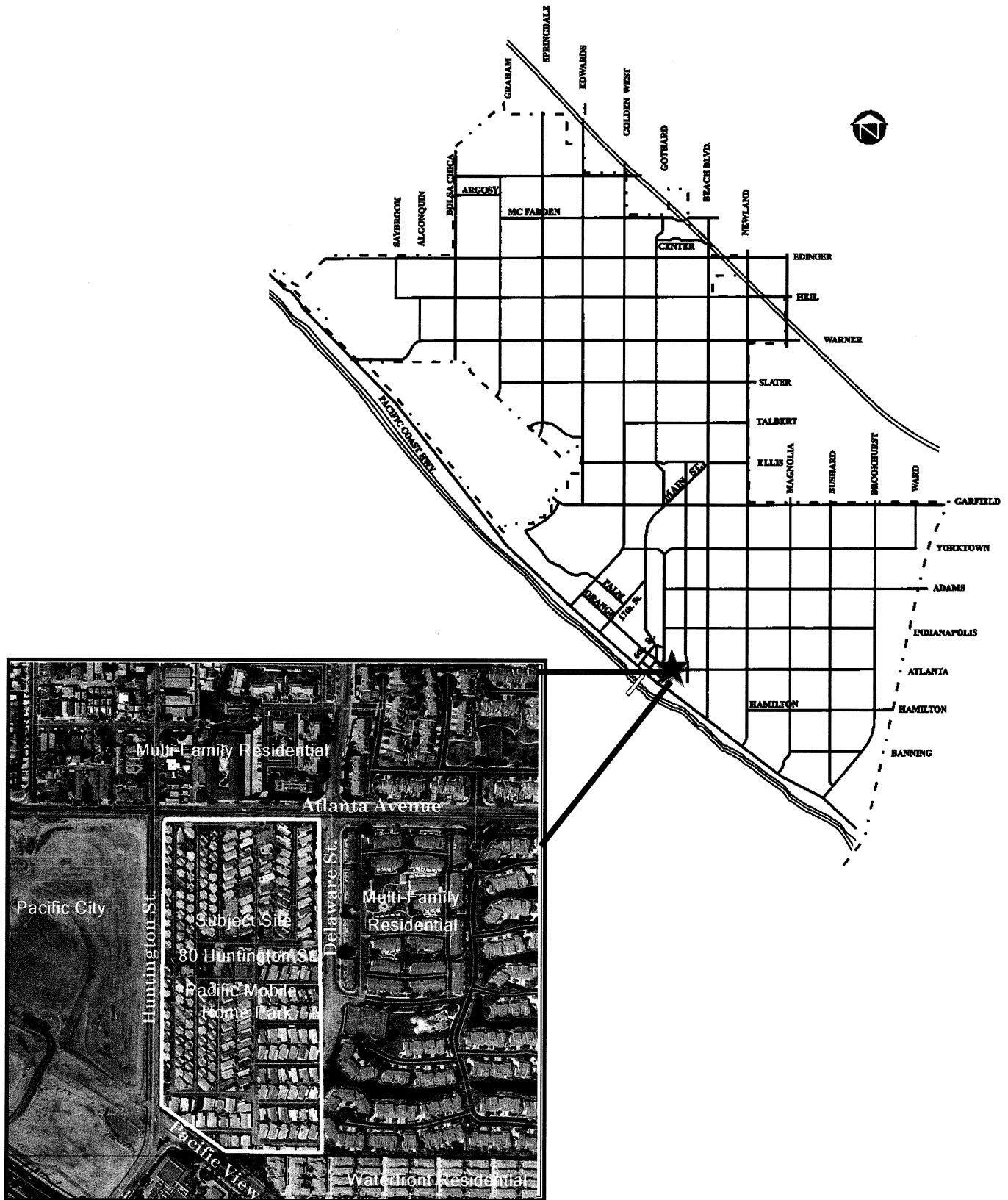
LOCATION: 80 Huntington Street (southeast corner of Huntington Street and Atlanta Avenue)

STATEMENT OF ISSUE:

- ♦ Tentative Tract Map No. 17397 request:
 - To subdivide the existing for-rent, mobile home park with a total of 252 units for ownership purposes into 252 numbered lots representing the mobile home lots and 31 lettered lots representing interior drive aisles, landscape areas and common areas.
- ♦ Coastal Development Permit No. 10-017 request:
 - To permit the proposed subdivision request in the non-appealable area of the coastal zone.
- ♦ Staff's Recommendation:

Deny Tentative Tract Map No. 17397 and Coastal Development Permit No. 10-017 based upon the following:

 - The subdivision map is not simply a conversion from a rental mobile-home park to resident ownership pursuant to Section 66427.5 of the California Government Code. The proposed map will require the elimination of certain existing lots and/or create lots that encroach onto the public right of way/ public property. As such the proposed map and conversion does not meet the requirements of Huntington Beach Zoning and Subdivision Ordinance Chapter 251 and 253 as well as California Government Code section 66474.
 - The coastal development permit will result in violations of the General Plan, Huntington Beach Municipal Code and Zoning and Subdivision Ordinance.



VICINITY MAP

TENTATIVE TRACT MAP NO. 17397

COASTAL DEVELOPMENT PERMIT NO. 10-017

PACIFIC MOBILE HOME PARK CONVERSION – RENTAL TO OWNERSHIP

RECOMMENDATION:

Motion to:

Deny Tentative Tract Map No. 17397 and Coastal Development Permit No. 10-017 with findings for denial (Attachment No. 1)."

ALTERNATIVE ACTION(S):

The Planning Commission may take alternative actions such as:

- A. "Continue Tentative Tract Map No. 17397 and Coastal Development Permit No. 10-017 and direct staff accordingly."
- B. "Approve Tentative Tract Map No. 17397 and Coastal Development Permit No. 10-017 with findings and conditions for approval."

PROJECT PROPOSAL:

Tentative Tract Map No. 17296 represents a request for the following:

- A. To subdivide approximately 18 gross acres into 252 numbered lots and 31 lettered lots for purposes of subdividing an existing 252 space for-rent mobile home park into 252 lots for ownership purposes.
- B. The applicant has also filed a coastal development permit to allow the proposed subdivision within the non-appealable area of the Coastal Zone. It should be noted that the applicant has submitted an application for a coastal development permit, but does not believe that a coastal development is required pursuant to Government Code Section 66427.5.

Currently, the park consists of 252 units on 18 acres with a density of approximately 14 units per acre. The park is also developed with an office, recreation hall, a pool, laundry and storage buildings, and an RV storage area. Permitting and enforcement authority over the mobile home park lies with the State Department of Housing and Community Development (HCD). HCD enforces the California Code of Regulation, Title 25, which establishes development and operational standards for the mobile home park. Fire authority, however, lies with the City of Huntington Beach Fire Department.

Subdivision of the park for purposes of converting it from for-rent to ownership is regulated by various provisions of the Subdivision Map Act (SMA) and the Huntington Beach Zoning and Subdivision Ordinance (HBZSO), Title 25, Subdivisions. Government Code Section 66427.5 of the SMA requires the applicant to provide a report on the impact of the conversion upon residents of the mobile home park to be converted. The applicant submitted the required impact of conversion report stating that no residents would be displaced since non-purchasing residents may continue to rent their space within the mobile home park upon conversion (Attachment No. 4). In addition, the report states that State law affords non-purchasing residents protection from economic displacement by limiting rent increases following conversion of the Park. The SMA also requires the applicant to obtain a survey of support of the mobile home park residents, for which results of the survey shall be considered by the decision making body

during the public hearing for the subdivision map. The applicant submitted a report stating that surveys were sent to all resident households of the Park, which staff assumes means all 252 spaces received a survey. Of the 252 surveys, the report states that a total of 65 (26%) were returned (Attachment No. 5). Of the 65 returned surveys, 58 respondent households stated support for the conversion, three respondents declined to state their opinion, and four respondents stated that they do not support conversion of the park. 187 surveys (approximately 74%) were not returned.

ISSUES:

Subject Property and Surrounding Land Use, Zoning and General Plan Designations:

LOCATION	GENERAL PLAN	ZONING	LAND USE
Subject Property:	RM-15 (Residential Medium Density – 15 du/ac)	RMP-CZ (Residential Manufactured Home Park – Coastal Zone Overlay)	Mobile Home Park
North of Subject Property: (across Atlanta)	RM – 15	RM-CZ (Residential Medium Density – Coastal Zone Overlay)	Multi-Family Residential
East of Subject Property: (across Delaware)	RM-15	RM-CZ	Multi-Family Residential
South of Subject Property:	RH-30-sp (Residential High Density – 30 du/ac – Specific Plan Overlay);	SP5-CZ (Downtown Specific Plan – Coastal Zone Overlay) District 8	Waterfront development
West of Subject Property: (across Huntington)	RH-30-sp	SP5-CZ District 8	Pacific City development site

The subject site consists of one approximately 18-acre parcel. Primary resident access is located on Huntington Street with gated emergency vehicle access provided on Atlanta Avenue. In 1953, the mobile home park was approved with a conditional exception to allow the use of the property as a “trailer park” (filed under UV-59) and in 1954 a business license for the operation of the mobile home park was issued by the City. In 1989, a portion of the site, at the southwest corner, was purchased by the City in conjunction with the construction of Pacific View Avenue (referenced at the time as the extension of Walnut Avenue).

General Plan Conformance:

The proposed project is inconsistent with the goals, objectives, and policies of the City’s General Plan as follows:

A. Land Use Element

Goal LU 1: Achieve development that maintains or improves the City's fiscal viability and reflects economic demands while maintaining and improving the quality of life for the current and future residents of Huntington Beach.

Policy LU 4.2.1: Require that all structures be constructed in accordance with the requirements of the City's building and other pertinent codes and regulations; including new, adaptively re-used, and renovated buildings.

Policy LU 4.2.6: Monitor the conditions of buildings in the City and enforce pertinent building, municipal, and zoning codes to ensure their maintenance and quality.

Although the subdivision map does not propose construction of new buildings, Policy LU 4.2.1 is applicable Citywide to ensure the quality of the City's built environment. Similar to Policy LU 4.2.6, the General Plan requires that all proposed projects comply with applicable City codes and that the City shall enforce compliance with these codes. To that end, the City cannot approve a subdivision map that would result in violations of the Zoning Code and Municipal Code, which would be the case if the applicant maintains the current lots/configuration of the mobile homes and accessory structures shown on the map.

If the applicant intends to move the existing lot lines such that no encroachment occurs, the resulting lots may result in an inability to meet the standards and regulations of the Mobile Home Parks Act/Health and Safety Code with respect to setbacks, access, and other applicable development standards that would be required. However, this report only analyzes the map that was submitted, not hypothetical configurations that the applicant may create.

Mobile home owners with homes currently encroaching into the City right-of-way would necessarily be required to move their homes in order to purchase their own lot prior to obtaining title. This would require physical changes and a potential, and unanticipated, obstacle for the purchase of the lot, especially considering the application was submitted with the understanding that no physical changes are proposed.

These violations would be detrimental to the current quality of life of the park residents affected by the physical changes proposed by the tentative tract map. Goal LU 1 aims to achieve improvement, and at a minimum, maintenance of the quality of life for City residents. The proposed tentative map would conflict with achievement of this goal.

Zoning Compliance:

The project site is located in the Residential Manufactured Home Park – Coastal Zone (RMP-CZ) zoning district. In addition, standards for development and construction in mobile home parks are provided in Title 25 of the California Code of Regulations. Changes to lot lines require a permit from Housing and Community Development (HCD) and consent from the affected residents of the lot line changes.

Therefore, and notwithstanding the City's zoning, the proposed subdivision would necessitate permits from HCD prior to moving existing mobile homes that encroach onto City owned property.

Urban Design Guidelines Conformance:

The proposed subdivision map and coastal development permit is not subject to review under the Urban Design Guidelines.

Environmental Status:

The proposed project, as submitted by the applicant, is Categorically Exempt pursuant to Section 15301(k), Class 1, of the California Environmental Quality Act (CEQA), which states that division of existing multiple family or single-family residences into common-interest ownership are exempt from further environmental review.

Based on the recommended action, it should be mentioned that CEQA is not applicable to projects that are denied. Most importantly, should the proposed tentative map be appropriately submitted for approval, it appears the City would be required to conduct a full environmental review of the potential environmental impacts that could occur as a result of the subdivision.

Coastal Status:

The project site is located in the non-appealable area of the coastal zone. The proposed subdivision map is considered development as defined in Chapter 245 of the Huntington Beach zoning and Subdivision Ordinance (HBZSO). As such, the proposed project request includes a coastal development permit, which is further analyzed herein.

Redevelopment Status: Not Applicable.

Design Review Board: Not applicable.

Subdivision Committee:

On March 31, 2011, the Subdivision Committee reviewed the proposed subdivision for compliance with applicable City and State codes and statutes. During the meeting, staff stated that the residents and surrounding property owners had been notified of the meeting and stated that one communication had been received, which would be included as an attachment to the Planning Commission staff report for the April 12th, 2011 meeting (Attachment No. 6). Staff then presented an overview of the proposed subdivision map, highlighted the encroachment issues and map/application inconsistencies and provided a summary of the Park history. Staff provided the Committee with suggested findings for denial of the tentative tract map. The Committee members asked questions related to the application submittal and requested that staff clarify the ways in which the proposed tentative tract map conflicted with the California Government Code and applicable Huntington Beach codes. The property owner, Jim Hodgson, attended the meeting and his representatives (Mark Alpert and Robert Coldren) spoke regarding the City's scope of review under Section 66427.5 of the California Government Code and stated that the proposed tentative tract map does not propose to change any legal lot lines and thus disagreed with Staff's findings and recommendation. Ultimately, the Subdivision Committee recommended denial of the proposed subdivision to the Planning Commission with a vote of five votes in favor of recommending denial of the

subdivision map, no votes in favor of not recommending denial of the subdivision map, and one abstention. A copy of the draft minutes is provided as Attachment No. 9 to this staff report.

Other Departments Concerns and Requirements:

The Departments of Fire, Public Works, Community Services, Economic Development, Police, and Planning and Building have reviewed the application. Since the application was submitted pursuant to Section 66427.5 of the Government Code, no off-site design or improvement requirements, dedications, or in-lieu fees may be imposed unless necessary to mitigate a health and safety condition. Since the recommendation is to deny the proposed entitlement requests, staff has not identified any code requirements or conditions.

Public Notification:

Legal notice was published in the Huntington Beach/Fountain Valley Independent on March 31, 2011, and notices were sent to property owners of record and tenants within a 500-foot radius of the subject property, individuals/organizations requesting notification (Planning and Building Department's Notification Matrix), residents of the mobile home park, applicant, and interested parties. As of April 5, 2011, four letters have been received regarding the request.

Application Processing Dates:

MANDATORY PROCESSING DATE(S):

DATE OF COMPLETE APPLICATION:

February 25, 2011

April 16, 2011 (Within 50 days of complete application)

An application for Vesting Tentative Tract Map (TTM) No. 17397 and Coastal Development Permit (CDP) No. 10-017 was filed on December 7, 2010. Subsequent submittals were received on January 18, 2011 and February 4, 2011. The subsequent submittals provided supplemental information requested by staff, and stated the applicant's intent to process the subdivision map as a non-vesting map, which would have required additional application materials. The application was deemed complete on February 25, 2011. The Planning Commission public hearing for the proposed tentative tract map and coastal development permit is scheduled for April 12, 2011.

ANALYSIS:

The following analysis focuses on the tentative map as submitted and not on hypothetical configurations that may exist to remedy the factual impossibility created by the current map. It is staff's position that the map cannot be approved pursuant to California Government Code section 66427.5 but requires a tentative and final subdivision map as would any other project of this scope. This argument is based upon the undeniable factual information submitted by the applicant as to the current lot configuration.

The applicant has argued at the subdivision committee that the proposed project is consistent with the legislative intent of Government Code Section 66427.5, and the City is not approving the map only to wait for Senate Bill (SB 444) to be enacted, however, these arguments do not warrant further discussion at this time.

Encroachment on Huntington Street Right-of Way

The proposed subdivision map delineates existing structures within the mobile home park currently encroaching onto the Huntington Street right-of-way, which was deeded to the City in 1950. As part of the initial application review, staff advised the applicant to provide evidence that the mobile home park was granted authorization to occupy the City's right-of-way. The applicant, in his response, believes that authorization to encroach onto the City's right-of-way was granted to the mobile home park and that a conditional use permit was obtained for the mobile home park based on the current location of the homes but did not provide evidence of approved plans or a copy of the conditional use permit cited in the response. The City does not have records of an approved conditional use permit or plans authorizing encroachment onto Huntington Street for the mobile home park. In addition, a 1975 City survey of a portion of the mobile home park shows that the mobile homes closest to Huntington Street did not encroach onto the Huntington Street right-of-way at that time, suggesting that the applicant's contention that the mobile homes were authorized to be located in their current location with the original entitlement permit may not be a valid assumption. Staff believes that the encroachment has occurred over time due to the modernization and increase in size of mobile/manufactured homes. In fact, a conditional use permit to construct a wall along the park perimeter adjacent to Huntington Street was submitted in 1996, for which the application narrative and subsequent letter withdrawing the conditional use permit application acknowledges that the Park owners and management were aware of the encroachment at that time. Additionally, the applicant of the proposed project has acknowledged (in the project narrative) the encroachment, which is also delineated on the proposed tentative tract map. Below is a historic timeline of the Huntington Street Right of way which provides the basis for the City's determination that the encroachment is unauthorized.

- 1950 – 60-foot wide Huntington Street right-of-way deeded to the City
- 1953 – Conditional Exception entitlement approved by the City Council for the construction of a trailer park adjacent to and east of Huntington Street (a 60-foot right-of-way accepted by the City in 1950)
- 1954 – Business license approved by the City Council for operation of the subject mobile home park (Pacific Trailer Park)
- 1975 – City survey of a portion of the Pacific Mobile Home Park shows that existing mobile homes closest to the Huntington Street right-of-way did not encroach at that time
- 1996 – Park owners/management apply for (and subsequently withdraw) a CUP to construct a block wall along the Huntington Street perimeter requesting to construct the wall within the City's right-of-way and acknowledging the encroachment of Park structures within the right-of-way
- 2010 – The applicant submits an application for a tentative tract map showing existing dwellings and accessory structures encroaching beyond the boundary of the mobile home park property and onto the City's Huntington Street right-of-way

2011 – Response letter to City’s incomplete submittal determination acknowledges encroachment onto the City’s R-O-W, but fails to provide evidence that the applicant has obtained authorization for the encroachment

Tentative Tract Map/Lot Line Inconsistencies

Section 18210 of the California Health and Safety Code (otherwise referred to as the Mobilehome Parks Act) defines a “lot” as “any area or tract of land or portion of a mobilehome park designated or used for the occupancy of one manufactured home, mobilehome, recreational vehicle.” The HBZSO defines a mobilehome space as “any area, tract of land, site, lot, pad or portion of a mobilehome park designated or used for the occupancy of one mobilehome.”

The applicant asserts in the December 7, 2010 project narrative that the proposed tentative tract map is submitted pursuant to Section 66427.5 of the California Government Code (Subdivision Map Act) and represents an “application to create numbered residential lots corresponding to the existing 252 rental spaces...that are currently permitted by HCD” and further states that no physical changes are proposed. The applicant asserts that they simply seeks to create legally recordable property boundaries based on the existing configuration of rental spaces and common areas. However, the proposed tentative tract map shows that either 1.) existing lots (as defined by the Health and Safety Code and HBZSO) would be modified, necessitating physical changes or 2) the existing lots would remain in their current configuration, necessitating a physical change in the existing exterior boundary/property line and an increase in the current size of the mobile home park. In either case, the scope of the proposed subdivision map extends beyond a change in the form of ownership interests.

The applicant has stated that no physical change would occur and that the mobile homes would remain in their current configuration or “lots”. However, the current map is not consistent with that statement. The City cannot approve a map that depicts property lines that encroach onto the right of way (or any other private property for that matter) without consent and additional subdivision.

Alteration of Lot Lines/Physical Changes

The title page of the proposed tentative tract map shows lots corresponding to the correct exterior property line adjacent to Huntington Street. However, pages two and three of the tentative tract map show existing dwellings and structures, and by definition, mobile home lots, beyond the exterior property line and within the City’s Right of way. If the applicant intends to create lots as shown on the title page, the existing lot lines are proposed to change and consequently, existing dwellings and accessory structures would require a physical change from their current location. On the other hand, if the applicant intends to create lots based on the current configuration of the mobile home lots, then the exterior boundary shown on the tentative tract map is incorrect and a change to the existing exterior boundary is actually proposed. Since the new exterior boundary line would be within the City’s right-of-way, authorization from the City would be required for the change to occur and the map to be approved. No such authorization has been granted.

The applicant, at the Subdivision Committee Meeting, clarified that the intent is to create legal lots based on the configuration shown on the title page of the proposed tentative tract map. This statement conflicts

with the submitted application narrative and the configuration of the Park as shown on pages two and three of the proposed tentative tract map.

Findings for Denial of Tentative Tract Map

Section 66427.5 of the Government Code specifies provisions for the filing of a tentative map for the conversion of a rental mobile home park to resident ownership. The applicant has submitted the proposed project pursuant to this section of the Government Code. However, given that the map clearly shows the creation of new lot lines (as discussed in the earlier subsections of the Analysis Section of this staff report), provisions of Section 66427.5 do not apply to the proposed subdivision map, which limit the scope of review (from that of a traditional tentative/final or parcel map) for a common interest development. For the reasons articulated, the City finds that the proposed map is not consistent with the provisions of Government Code Section 66427.5.

It should be noted that the City advised the applicant in writing of the issues regarding encroachment onto Huntington Street and offered to refund the application fees so that the matter of encroachment could be resolved. In addition, the City also met with the applicant's representative and engineer and explained the City's position that the encroachment posed lot line issues that would affect applicability of the Subdivision Map from the City's perspective. The applicant, continues to argue that authorization was granted for the encroachment and that the subdivision map is merely a change in ownership pursuant to California Government Code 66427.5.

Chapter 251 of the HBZSO requires four findings for approval of a tentative map:

1. That the proposed map is consistent with the General Plan or any applicable specific plan, or other provisions of this Code;
2. That the site is physically suitable for the type and density of development;
3. That the design of the subdivision or proposed improvements will not cause serious health problems or substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.
4. That the design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision unless alternative easements, for access or for use, will be provided.

The HBZSO also requires denial of a tentative subdivision map if it is determined that approval would result in any of the conditions described in Section 66474 of the California Government Code. Section 66474 of the Government Code stipulates the same findings specified in Chapter 251 of the HBZSO and listed above, with the exception of the reference to "other provisions of this Code," in finding number one. As such, the findings for denial include, but are not limited to, references of inconsistencies to both applicable City and state codes and laws including Chapter 251 of the HBZSO and Sections 66427.5 and 66474 on the California Government Code.

Coastal Development Permit

Because the findings for a coastal development permit, as specified in Chapter 245 of the HBZSO, require issuance of a coastal development permit to be consistent with the City's General Plan, certified Local

Coastal Program, which includes the Coastal Element of the General Plan, the HBZSO, and the Coastal Act, the City cannot approve the associated coastal development permit for the same reasons it cannot approve the proposed tentative tract map.

SUMMARY:

Based on a review of the proposed tentative tract map and application materials, the City determines:

- That existing encroachment of dwellings and structures onto the Huntington Street right-of-way is illegal and violates existing City codes requiring applicants to have a freehold interest in the land which is the subject of the application and submit written evidence of such interest (HBZSO Section 202.04) and prohibiting encroachment of private dwellings onto public right-of-way (Huntington Beach Municipal Code Section 12.38.030);
- That the unauthorized and illegal encroachment onto the Huntington Street right-of-way would result in changes to existing lot lines/configuration of the existing Park or a change in the exterior boundary of the existing mobile home park;
- That the proposed lot line and exterior boundary changes would extend the scope of the application beyond a change in the form of ownership, thereby defining the project as a subdivision rather than merely a conversion to a common interest development or, more specifically, a conversion of a rental mobile home park to resident ownership;
- That the scope of review for approval is not limited by the provisions specified in Section 66427.5 of the California Government Code; and
- That the City is authorized, to deny the tentative because the location of buildings on the property shown are the map that are violative of local ordinances.

ATTACHMENTS:

1. Suggested Findings for Denial of Tentative Tract Map No. 17397 and Coastal Development Permit No. 10-017
2. Project Narratives received and dated December 7, 2010, January 18, 2011 and February 4, 2011
3. Tentative Tract Map No. 17397 dated December 7, 2010
4. Report on Impact of Conversion Upon Residents, dated December 7, 2010
5. Summary of the Survey of Resident Support, dated December 7, 2010
6. Public Comments, received as of April 5, 2011
7. Government Code Sections 66427, 66427.5 and 66474
8. Sections 245.30 and 251.08 of the HBZSO pertaining to findings for coastal development permits and subdivisions
9. Draft March 31, 2011 Subdivision Committee Minutes

SH:MBB:HF:JV:kdc

ATTACHMENT NO. 1

SUGGESTED FINDINGS FOR DENIAL **TENTATIVE TRACT MAP NO. 17397/** **COASTAL DEVELOPMENT PERMIT NO. 10-017**

SUGGESTED FINDINGS FOR DENIAL - TENTATIVE TRACT MAP NO. 17397:

1. Section 66427.5 of the California Government Code does not apply and is in conflict with the proposed map because Tentative Tract Map No. 17397 (received and dated December 7, 2010) to convert 252 for-rent mobile home lots into condominium (ownership) lots, will result in changes to existing lot lines and exterior boundary lines and therefore, does not solely constitute a subdivision map created from the conversion of a rental mobile home park to resident ownership.
2. The proposed tentative tract map would result in conditions specified in Section 66474 of the California Government Code (and referenced in Chapter 251 of the HBZSO as the required basis for denial of a tentative map), which stipulates that a tentative map shall be denied if the proposed tentative map would result in any of the conditions listed in that section. Specifically, Section 66474 requires denial of a tentative map that is not consistent with applicable general plans. The proposed subdivision would violate the following City of Huntington Beach General Plan Land Use Element goal and policies:

Goal LU 1: Achieve development that maintains or improves the City's fiscal viability and reflects economic demands while maintaining and improving the quality of life for the current and future residents of Huntington Beach.

Policy LU 4.2.1: Require that all structures be constructed in accordance with the requirements of the City's building and other pertinent codes and regulations; including new, adaptively re-used, and renovated buildings.

Policy LU 4.2.6: Monitor the conditions of buildings in the City and enforce pertinent building, municipal, and zoning codes to ensure their maintenance and quality.

Although the subdivision map does not propose construction of new buildings, Policy LU 4.2.1 is applicable Citywide to ensure the quality of the City's built environment. Similar to Policy LU 4.2.6, the General Plan requires that all proposed projects comply with applicable City codes and that the City shall enforce compliance with these codes. To that end, the City cannot approve a subdivision map that would result in violations of the Zoning Code and Municipal Code, which would be the case if the applicant maintains the current lots/configuration of the mobile homes and accessory structures shown on the map.

If the applicant intends to move the existing lot lines such that no encroachment occurs, the resulting lots may result in an inability to meet the standards and regulations of the Mobile Home Parks Act/Health and Safety Code with respect to setbacks, access, and other applicable development standards that would be required. However, this report is only analyzes the map that was submitted, not hypothetical configurations that the applicant may create.

Mobile home owners with homes currently encroaching into the City right-of-way would necessarily be required to move their homes in order to purchase their own lot prior to obtaining title. This would require physical changes and a potential, and unanticipated, obstacle for the purchase of the lot, especially considering the application was submitted with the understanding that no physical changes are proposed. These violations would be detrimental to the current quality of life of the park residents affected by the physical changes proposed by the tentative tract map. Goal LU 1 aims to achieve improvement, and at a minimum, maintenance of the quality of life for City residents. The proposed tentative map would conflict with achievement of this goal.

3. Pursuant to Section 66427 of the California Government Code, the City cannot approve Tentative Tract Map No. 17397 because the location of the buildings on the property are violative of local ordinances.
4. The City cannot make the necessary findings for approval specified in Chapter 251 of the HBZSO, which require that “a proposed map is consistent with the General Plan or any applicable specific plan, or other provisions of this Code.” The proposed tentative tract map conflicts with Section 202.04 of the HBZSO, Section 12.38.030 of the Municipal Code, General Plan Land Use Element Goal LU 1 and Policies LU 4.2.1 and 4.2.6 and Sections 66427, 66427.5 and 66474 of the Subdivision Map Act.

SUGGESTED FINDINGS FOR DENIAL – COASTAL DEVELOPMENT PERMIT NO. 10-017:

1. The proposed coastal development permit, necessitated because it meets the definition of development in the coastal zone, conflicts with Sections 202.04 of the HBZSO, Section 12.38.030 of the Huntington Beach Municipal Code and General Plan Goal LU1 and Policies LU 4.2.1 and 4.2.6.

INDEMNIFICATION AND HOLD HARMLESS CONDITION:

The owner of the property which is the subject of this project and the project applicant if different from the property owner, and each of their heirs, successors and assigns, shall defend, indemnify and hold harmless the City of Huntington Beach and its agents, officers, and employees from any claim, action or proceedings, liability cost, including attorney’s fees and costs against the City or its agents, officers or employees, to attack, set aside, void or annul any approval of the City, including but not limited to any approval granted by the City Council, Planning Commission, or Design Review Board concerning this project. The City shall promptly notify the applicant of any claim, action or proceeding and should cooperate fully in the defense thereof.

HK&C

HART, KING & COLDREN

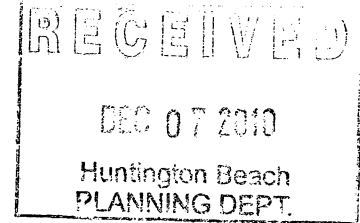
Mark D. Alpert
malpert@hkclaw.com

December 7, 2010

Our File Number: 36608.006/4815-7905-3576v.1

VIA HAND DELIVERY

Scott Hess
Director of Planning
City of Huntington Beach Planning Dept.
2000 Main Street
P.O. Box 190
Huntington Beach, CA 92648



Re: Pacific Mobile Home Park
80 Huntington Street, Huntington Beach, CA. 92648
Subdivision Application for Tentative Tract Map No. 17397

Dear Mr. Hess:

Please find enclosed the Subdivision Application for Tentative Tract Map 17397 ("Application") for the Pacific Mobile Home Park located at 80 Huntington Street, Huntington Beach, CA. 92648 ("Pacific"). The Application is the first step in the conversion of Pacific from a rental to a resident-owned mobilehome park. The Application is to create numbered residential lots corresponding to the existing 252 rental spaces currently permitted by the California Department of Housing and Community Development ("HCD") and lettered lots corresponding to each non-contiguous portion of the existing common areas.

The Application is submitted pursuant to California Government Code Section 66427.5, which expressly preempts local agency requirements for subdivision of existing mobilehome parks to enable conversion to resident ownership. Section 66427.5 prevents physical displacement of residents by requiring that residents have the option to purchase the lot created from their existing space or to continue leasing that space. Section 66427.5 prevents economic displacement of residents by placing limits on post-conversion rent increases, especially for low income residents.

As a simple subdivision to enable conversion to resident ownership under Government Code Section 66427.5, the Application does not involve any "physical change" or "change in use" of Pacific. Instead, the subdivision simply creates legally recordable property boundaries out of the existing configuration of HCD approved rental spaces and common areas. Therefore, Section 66427.5 eliminates many of the requirements that would exist for a subdivision of raw land or for a subdivision to enable a new use of an existing development, such as requirements for environmental review, soils and engineering studies, dedications and exactions, etc.

Pursuant to Government Code Section 66427.5, all that must accompany the Application is the Tentative Tract Map, the applicable fee, a resident survey, and a conversion impact report, which conversion impact report must provide notice to residents of their option to purchase or continue leasing (the option is loosely labeled in Section 66427.5 (a) as an "offer"). (See *El Dorado Palm Springs Associates v. City of Palm Springs* (2002) 96 Cal.App.4th 1153, 1180)

A Professional Law Corporation
200 Sandpointe, Fourth Floor, Santa Ana, California 92707
Ph 714.432.8700 | www.hkclaw.com | Fx 714.546.7457

ATTACHMENT NO. 2.1

Scott Hess
December 7, 2010
Page 2

Therefore, the enclosed Application includes the following attachments, some of which are enclosed with this letter, others of which are currently on file with the City or will be subsequently filed with the City:

1. Map. Eleven copies of the vesting Tentative Tract Map are submitted with the Application.

2. Fees. We are submitting filing fees based on the City's fee for a vesting tentative tract map and its per lot fees. We do not believe the fees for a standard residential subdivision application should apply to a subdivision under Section 66427.5 which is substantially more limited in scope. We are therefore submitting these fees "under protest" and request that the City adjust the fee to reflect the reduced scope of review under Government Code section 66427.5. In addition, the Applicant does not believe the City can require a coastal permit, but if City staff insists upon such an application, the Applicant will submit the fee as requested under protest. In addition, as discussed below, the Applicant contends the proposed subdivision is exempt from environmental review under CEQA. To the extent the City insists upon fees being collected for environmental review, such fees are submitted under protest.

3. Report on Impact of Conversion Upon Residents. A copy of the Report on Impact of Conversion Upon Residents is enclosed.

4. Resident Survey Results. The Report on Impact Upon Residents discusses the survey results.

5. Data and Reports. As explained above, Government Code Section 66427.5 preempts any additional City requirements for data and reports beyond those required by Section 66427.5. Therefore, most of the data and reports listed in Paragraph 5 of the Application are not applicable, as explained below:

5(a) Environmental Assessment Form.

Conversion of a rental mobile home park to residential ownership is exempt from CEQA pursuant to California Code of Regulations, Title 14, Section 15301 (k) (existing facilities-division of existing single family residences into common interest ownership where no physical changes occur), for the same reasons as the express statutory exemption for resident initiated conversions contained in Public Resources Code Section 21080.8.

5(b) Preliminary Title Report.

A Preliminary Title Report issued September 27, 2010.

5(c) Preliminary Soils and Engineering Geology Report.

There is no "physical change" or "change in use" of Pacific. Therefore, no soils or geology reports is necessary or required under Government Code Section 66427.5.

Scott Hess
December 7, 2010
Page 3

5(d) Public Notification Requirements.

Public notification materials are enclosed.

5(e) Photographs of the Subject Property.

Photographs of Pacific are enclosed.

5(f) Written Narrative:

(1) Existing Use of the Property and Present Zoning.

Pacific is situated on a single parcel (APN) consisting of approximately 18 acres and operated as a mobile home park permitted for 252 mobile home spaces. Pacific is currently zoned RMP. The General Plan Designation is RMH-25.

Pacific was initially constructed in the late 1950s, on Huntington Street, North of Pacific View.

The improvements included a clubhouse with kitchen, a workout room, a heated year-round swimming pool and Jacuzzi, a Laundromat with vending machine, a drive in hand car wash bay and an area for RV/Boat/Trailer storage

(2) Proposed Use of the Property.

There is no proposed "physical change" or "change in the use" of Pacific. The proposed use of Pacific is to maintain the existing use as a mobile home park.

(3) Statement of the Proposed Improvements and Public Utilities.

There are no proposed improvements or utilities.

(4) Public Areas Proposed.

There are no public areas proposed.

(5) Tree Planting Proposed.

There are no tree plantings proposed.

(6) Restrictive Covenants Proposed.

Upon approval of the Application, a Pacific Homeowners Association will be formed, and customary covenants, conditions and restrictions utilized in planned mobile home communities will be prepared and submitted to the California Department of Real Estate for review and approval.

5(g) Coastal Development Permit Application.

Pacific is believed to be within a coastal zone, but the Applicant does not believe a coastal permit is required as Government Code § 66427.5 prevents the imposition of a



Scott Hess
December 7, 2010
Page 4

requirement for a coastal permit. However, while reserving its rights to proceed without a coastal permit, encloses a fee of \$2971.00 for a coastal permit application.

The enclosed materials should provide the City with a complete application. Please feel free to contact me with any questions or comments you may have.

Sincerely,

HART, KING & COLDREN

Mark D. Alpert

MDA/sm

Enclosures:
Subdivision Application
Tentative Tract Map
Application Fee
Report on Impact of Conversion Upon Residents
Preliminary Title Report
Public Notification Materials
Photographs

cc: Pacific Mobile Home Park, LLC

HK&C

HART, KING & COLDREN

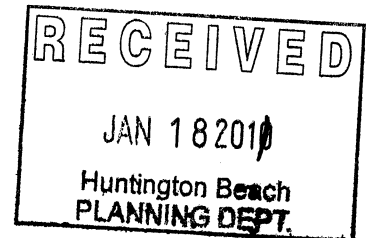
Mark D. Alpert
malpert@hkclaw.com

January 18, 2010

Our File Number: 36608.006/4832-6151-1432v.1

VIA EMAIL AND REGULAR MAIL

Jennifer Villaseñor
City of Huntington Beach Planning Dept.
2000 Main Street
P.O. Box 190
Huntington Beach, CA 92648



Re: Pacific Mobile Home Park
80 Huntington Street, Huntington Beach, CA. 92648
Subdivision Application for Tentative Tract Map No. 17392

Dear Ms Villaseñor:

I am writing in response to the City's "Notice of Filing Status" for the above-referenced tentative tract map deeming the application incomplete and requesting additional "information or clarification" to act on the Application, which I interpret as items which the City of Huntington Beach will not require to deem the application complete, but which it seeks prior to acting on the application. After reviewing your notice, we respectfully disagree with the determination of staff and ask that the City reconsider its position on this matter. I will address the items utilizing the same numbering utilized in your Notice.

Purported "Incomplete" items

1. Map purportedly depicting units and structures straddling property lines and outside the proposed boundary. For many years, the Park has operated under the current configuration with some homes placed, in part, on property which is technically on the City's right-of-way. However, the Applicant is informed and believes that the City has approved this configuration, including a conditional use permit based on the current location of these homes. The Applicant believes it has a legal right to continue this use. While we recognize the City may disagree with this position, that does not render the application incomplete. The City may consider approving the tract map subject to the conditions that the Applicant demonstrate that the City has relinquished its interest either formally or by operation of law, but this is not a proper basis to deem the application incomplete.
2. The Application is intended to be a Vesting Tentative Tract Map. Please feel free to mark the submitted maps accordingly or our engineering firm can make the required change at your convenience. While we understand that the City's municipal code may purport to require an application for conditional use permit, any such municipal requirements are barred by Government Code 66427.5. This has been the repeated holding of numerous California courts, including notably *Sequoia Park Associates v. County of Sonoma*, 176 Cal.App.4th 1270 (Cal.App.1st Dist. 2009). In *Sequoia*, the Court recognized that state law both expressly and impliedly preempted local

A Professional Law Corporation
200 Sandpointe, Fourth Floor, Santa Ana, California 92707
Ph 714.432.8700 | www.hkclaw.com | Fx 714.546.7457

ATTACHMENT NO. 2.5

Jennifer Villaseñor
City of Huntington Beach Planning Dept
January 18, 2011
Page 2

government regulation, except as expressly authorized by Section 66427.5. Thus, the City cannot impose the requirement of seeking a new CUP. In addition, the park owner does not propose any new use. The subdivision application proposes a change in the form of ownership, while maintaining the same use. There is no reason the existing CUP cannot remain operative.

Finally, you request an updated narrative to correct the designation under the general plan to "Residential Medium Density – 15 units/acre" or "RM-15". Inasmuch as these facts are irrelevant to the application I do not believe any correction is necessary to "complete" the application. Certainly, this letter should suffice to clarify the issue.

On this basis, the application should be deemed complete immediately.

Requests for "information" and "clarification"

1. Two reduced sets of the tentative tract map will be provided to the City, but these are provided as additional information not required to "complete" the application.
2. Flood information—I am advised by my engineer that the flood information utilized was the most recent available at the date of submission. He can meet with you to clarify the issue but we do not believe any revisions are needed as of this time. In any event, because the City cannot impose flood mitigation requirements, this information is not necessary to complete the application.
3. Current zoning correction. Please treat this letter as correcting the Conversion Report. It is my understanding that the current zoning of the property is "Residential Manufactured Home Park –Coastal Zone overlay" or "RMP-CZ".
4. The subdivision application seeks a tentative tract map for 252 spaces approved by the existing CUP. The Applicant does not seek to subdivide the lots occupied by the four model units approved by HCD.
5. As you acknowledge, there was no active homeowners' association in place at the time the survey was conducted. The Applicant has no information regarding any effort to "reorganize" an association that was not operating. I find it notable that during repeated communications with all of the park residents, which are described in the declaration of Clarke Fairbrother which was submitted with the Application, that no resident came forward making this request and we received no objections to the conduct of the survey. My information is that there has not been a homeowner's association active within the Park for many years and that when such association existed, it was strictly social in nature and did not have a significant level of participation by the residents.

You have provided an unsigned letter from someone purporting to be on behalf of "Pacific MHOA." The letter is dated November 22, 2010. This person had ample

Jennifer Villaseñor
City of Huntington Beach Planning Dept
January 18, 2011
Page 3

opportunity to participate in the process under which the survey was conducted which was initiated in September, 2010. Neither the park owner nor his representative were advised that the residents wished to form an HOA to conduct the survey and I note that the letter from the resident in space 80 does not indicate she copied the park owner or representative with the letter. It appears that a single or small group of residents have intentionally chosen to wait until the survey was completed to delay or interfere with the application process. There is no basis to believe the resident speaks for anyone but him or herself. Indeed, the resident may be one of the few residents who oppose a subdivision.

6. The Park is effectively fully occupied. It would require speculation to determine why a substantial percentage of residents chose not to participate in the survey. They certainly had every opportunity to participate. There were two mass mailings and one community wide meeting held before the surveys were sent. It is not unusual for a large percentage of residents to choose not to participate. It is my understanding from speaking to the managers that prior efforts to revive an HOA for the Park in 2004 failed because of a lack of interest. Thus, there is a prior pattern of lack of community participation at the Park. Since all residents had ample opportunity to participate and were repeatedly advised of the planned survey, the only logical inference to make from the lack of participation these residents chose not to participate. There is no reason to expect a second survey would yield more responses. Of those residents who were interested, the vast majority supported the application.

In any event, the City may not consider the level of participation in the survey or even the lack of support in processing the subdivision application. While California courts have split on whether or not local governments could consider the absence of resident support under any circumstances, the one reported decision which concludes it is valid to consider level of resident support (not level of participants) recognizes the purpose of such consideration is to determine whether the subdivision is a "bona fide" conversion in which a single or a few lots are sold to avoid rent control. See, e.g. *Colony Cove Properties, LLC v. City of Carson*, 187 Cal.App.4th 1487, 1501 (Cal.App.2d Dist. 2010). This issue arises where there is the possibility of using conversion to get out of local rent control. *Id.* Even assuming *Colony Cove* is correctly decided, it simply has no application where, as here, there is no rent control ordinance. Because of a voter initiative, there is not even the prospect of future rent control. There is no reason to believe there is any potential for a sham conversion for that reason. Indeed, if the park owner were to subdivide and sell only a lot or two it would have the effect of imposing a form of rent control under state law where none existed. Since there is no potential for a "sham conversion" there simply is no reason to even consider the results of the survey. In any event, it is impossible to infer from the lack of resident responses that the conversion is not "bona fide."



HART, KING & COLDREN

Jennifer Villaseñor
City of Huntington Beach Planning Dept
January 18, 2011
Page 4

7. Regarding your concerns regarding dwelling units being "cut off" by proposed interior lot lines, we believe you are simply mistaken. Unfortunately, you have not identified specific areas or lots in question. Likewise, there are no units which abut property lines in a way that impacts access. Again, you have not identified the relevant lots in question or provided any examples. Our engineer observed to me that your comments indicate you have not actually visited the site.

We would be happy to meet with you this week to clarify these questions if you are prepared to identify specific areas in question. I want to emphasize, however, it is our position that the application is complete and any such meeting would only serve the purpose of providing additional clarifying information to assist the City in consider the application. We can also discuss an appropriate partial refund of funds given the limited scope of the City's review. It might be helpful to have your city attorney present to discuss legal issues that uniquely apply to the processing of a mobilehome subdivision under Government Code § 66427.5. Please advise me what days and times you are available this week.

Sincerely,

HART, KING & COLDREN



Mark D. Alpert

MDA/sm

cc: Pacific Mobile Home Park, LLC

HK&C

HART, KING & COLDREN

Mark D. Alpert
malpert@hkclaw.com

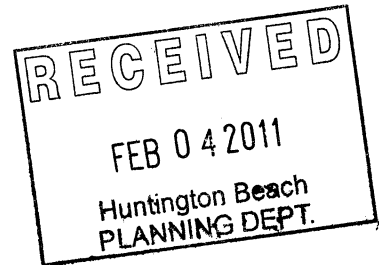
February 4, 2011

Our File Number: 36608.006/4843-7949-9016v.1

VIA EMAIL AND REGULAR MAIL

Jennifer Villaseñor
City of Huntington Beach Planning Dept.
2000 Main Street
P.O. Box 190
Huntington Beach, CA 92648

Re: Pacific Mobile Home Park
80 Huntington Street, Huntington Beach, CA. 92648
Subdivision Application for Tentative Tract Map No. 17392



Dear Ms Villaseñor:

You indicated that the City was prepared to deem the above referenced subdivision application complete provided it was processed as a non-vesting application. I am writing to confirm that my client will agree to have the application processed as a non-vesting map, provided that the City will deem the application complete based on the information already submitted. I would appreciate your confirmation in writing, no later than Monday February 7, 2011, that staff will deem the application complete.

Thank you for your attention to this matter.

Sincerely,

HART, KING & COLDREN

A large, stylized handwritten signature in black ink, appearing to read "Mark D. Alpert".

Mark D. Alpert

MDA/sm

cc: Pacific Mobile Home Park, LLC
Rob Coldren

IN THE CITY OF HUNTINGTON BEACH
COUNTY OF ORANGE, STATE OF CALIFORNIA

FOR SUBDIVISION PURPOSES



LO1-18	1.642	0.23	LO1-118	2.63	0.08	LO1-218	1.438	0.25
LO1-19	1.642	0.23	LO1-119	2.63	0.08	LO1-219	1.438	0.25
LO1-20	1.642	0.23	LO1-120	2.63	0.08	LO1-220	1.438	0.25
LO1-21	1.641	0.23	LO1-121	2.63	0.08	LO1-221	1.437	0.25
LO1-22	1.642	0.23	LO1-122	2.63	0.08	LO1-222	1.437	0.25
LO1-23	1.642	0.23	LO1-123	2.63	0.08	LO1-223	1.437	0.25
LO1-24	1.642	0.23	LO1-124	2.63	0.08	LO1-224	1.437	0.25
LO1-25	1.642	0.23	LO1-125	2.63	0.08	LO1-225	1.437	0.25
LO1-26	1.641	0.23	LO1-126	2.63	0.08	LO1-226	1.437	0.25
LO1-27	1.641	0.23	LO1-127	2.77	0.50	LO1-227	1.447	0.28
LO1-28	1.641	0.23	LO1-128	2.68	0.08	LO1-228	1.437	0.25
LO1-29	1.641	0.23	LO1-129	2.68	0.08	LO1-229	1.438	0.25
LO1-30	1.641	0.23	LO1-130	2.68	0.08	LO1-230	1.438	0.25
LO1-31	1.642	0.23	LO1-131	2.63	0.08	LO1-231	1.438	0.25
LO1-32	1.641	0.23	LO1-132	2.63	0.08	LO1-232	1.443	0.25
LO1-33	1.641	0.23	LO1-133	2.63	0.08	LO1-233	1.443	0.25
LO1-34	1.641	0.23	LO1-134	2.63	0.08	LO1-234	1.443	0.25
LO1-35	1.640	0.26	LO1-135	2.47	0.50	LO1-235	1.438	0.25
LO1-36	1.640	0.26	LO1-136	2.47	0.50	LO1-236	1.438	0.25
LO1-37	1.640	0.26	LO1-137	2.47	0.50	LO1-237	1.438	0.25
LO1-38	1.640	0.26	LO1-138	2.47	0.50	LO1-238	1.438	0.25
LO1-39	1.640	0.26	LO1-139	2.47	0.50	LO1-239	1.438	0.25
LO1-40	1.640	0.26	LO1-140	2.47	0.50	LO1-240	1.438	0.25

ELECTRIC	SOUTHERN CALIFORNIA Edison	P.O. BOX 600 SHEMBO, CA 91772 PHONE: (949) 694-7172
GAS	SOUTHERN CALIFORNIA GAS	P.O. BOX C MONTEREY PARK, CA PHONE: (805) 427-5200
WATER	CITY OF HUNTINGTON BEACH	P.O. BOX 711 HUNTINGTON BEACH, PHONE: (949) 463-4300

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Q & ASSOCIATES
SURVEYORS LAND SURVEYORS
1907 Border Avenue
Tomberton, California 90001
(310) 320-6125 Fax (310) 320-6125
E-mail Address: req@qandassociates.com

ANY UNDERGROUND UTILITIES OR STRUCTURES SHOWN ON THESE PLANS WERE PLOTTED FROM CITY RECORDS. NO ADDITIONAL UTILITY OR SUBSTRUCTURE RESEARCH HAS BEEN PERFORMED. THE CONTRACTOR SHALL DETERMINE THE EXISTENCE AND THE TRUE HORIZONTAL AND VERTICAL LOCATION AND DEPTHS OF ALL UTILITIES OR STRUCTURES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL UTILITIES OR STRUCTURES TO ANY PUBLIC OR PRIVATE UTILITIES SHOWN OR NOT SHOWN HEREON. THE CONTRACTOR SHALL ALSO BE RESPONSIBLE FOR NOTIFYING U.S. JAIL ALERT AT 1-800-227-4500 FOR UNDERGROUND UTILITY MARKING AT LEAST 48 HOURS BEFORE ANY EXCAVATION. THE CONTRACTOR SHALL NOT BE RESPONSIBLE FOR ANY DAMAGE TO ANY UTILITIES OR STRUCTURES. THE CONTRACTOR SHALL NOT COMMENCE WORK TO EXCAVATE UNDERGROUND UTILITY MARKING.

DIGALERT
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PACIFIC MOBILE HOME PARKS

MARY JOGGSON
 10000 WILSON AVENUE
 HAWTHORNE BEACH, CA 90484
 PHONE: (714) 584-1707
 E-MAIL:
maryjo@pacificmobilehomepark.com



R. T. QUINN & ASSOCIATES
CIVIL ENGINEERS AND SURVEYORS


1907 Bayview Avenue
Torrance, California 90501
Voice (310) 320-6125 Fax (310) 320-6125
E-Mail Address: rquinn@rtq.com

PROJECT: 11-0024-16 JOB NO. 210034
PRINCIPAL: ROBERT J. QUINN
CLIENT: MARIO MARTINEZ

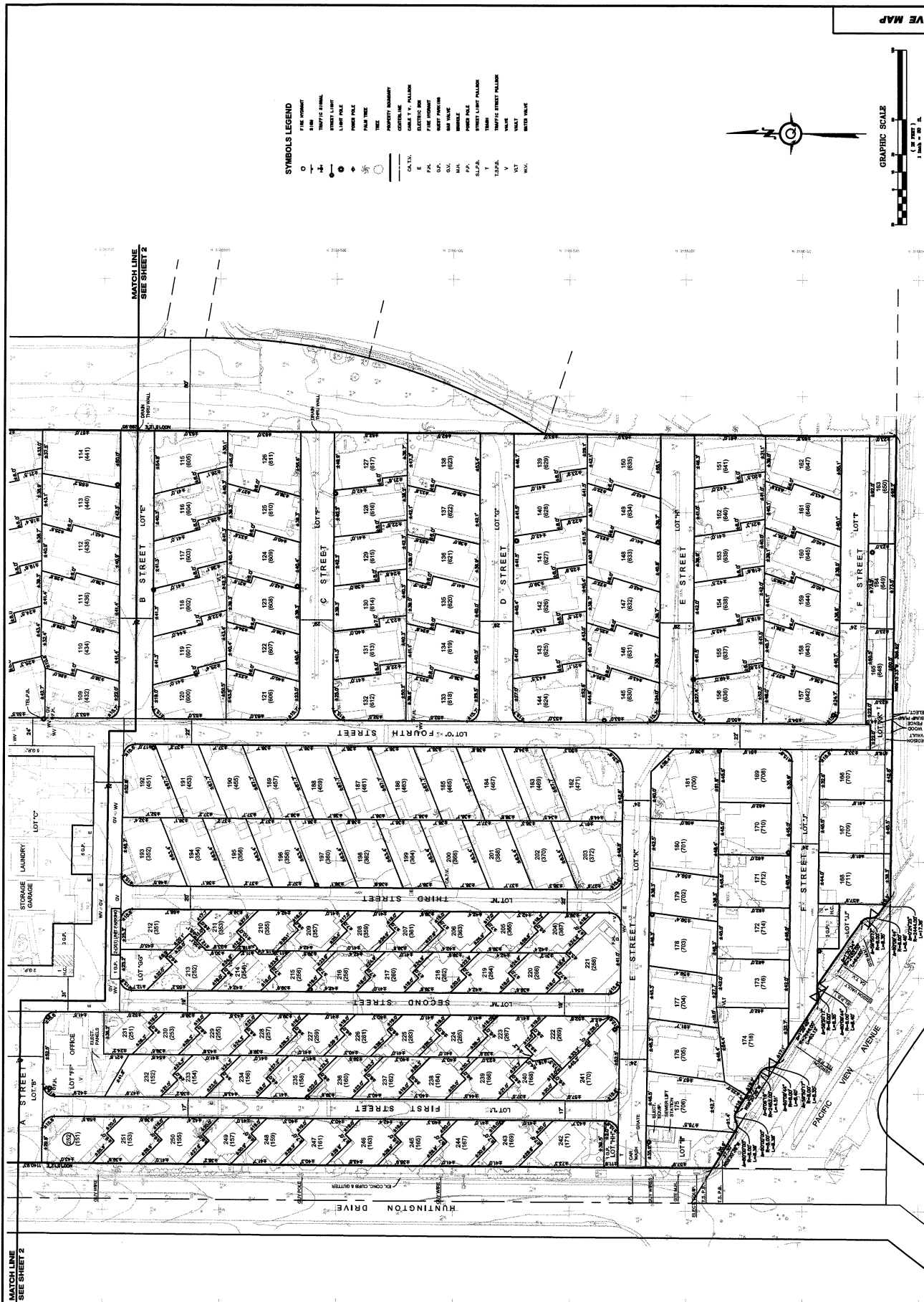


QUESTIONS TO ORGANIZING CHAIRS			
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DECAERT

 DIAL TOLL FREE
 1-800-227-2600
 AT LEAST 200 HRS
 SERVICE YR. END

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TENTATIVE MAP

GRAPHIC SCALE
(IN FEET)
1 inch = 80 ft.

PROJECT TITLE PACIFIC MOBILE HOME PARK	TRACT NO. 17397
JOB ADDRESS 40 HAWTHORN AVENUE HAWTHORN, SEACT CA 95648	DRAWING FILE NO.
EQUAL DESCRIPTION	SCALE: 1"=20'
SEE ABOVE	SHEET
	3 OF 3

PACIFIC MOBILE HOME PARK

MARK HODGSON
80 HUNTINGTON AVENUE
HUNTINGTON BEACH, CA 92648
PHONE: (714) 558-4707
E-MAIL:
Mark@pacificmobilehomepark.com

REVIEWS			DISCUSSION
№	DATE	BY	
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PLANS ENGINEER ETC.
R. T. QUINN & ASSOCIATES
CIVIL ENGINEERS LAND SURVEYORS
1907 Boulder Avenue
Tombala, California 90501
Voice (916) 264-1951 Fax (916) 264-0128
E-Mail Address: RQ@quinnr.com

RECURRING	NAME: R. T. QUINN	NAME: J. A. QUINN
	PHILLIP M. QUINN, BURT M. QUINN	
DATE: 11-03-10	JOB #	210035



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DOWN ON THESE PLANS
VAL UTILITY OR
THE CONTRACTOR SHALL
MENTAL AND VERTICAL
IES OR STRUCTURES
ON DAMAGE TO ANY
PERSON, THE
OTIFYING U.S. ARMY ALERT
MINING AT LEAST 48 HOURS
STRUCTION SHALL NOT
WARNING.

UNDERGROUND UTILITIES OR STRUCTURES ARE NOT PLOTTED FROM CITY RECORDS. NO ADDITIONAL CONSTRUCTION RECORDS HAVE BEEN PROVIDED TO EXAMINE THE EXISTENCE AND THE TRUE HORIZONTAL LOCATION AND SIZE OF ANY UNDERGROUND UTILITY. ALL WILL BE RESPONSIBLE FOR PROTECTION. ADJACENT PUBLIC OR PRIVATE UTILITIES SHOWN OR NOT SET BY THE CITY WILL ALSO BE RESPONSIBLE FOR THE PROTECTION OF COMMERCIAL ANY CONSTRUCTION. CALL 1-800-327-4500 FOR UNDERGROUND UTILITY INFORMATION PRIOR TO ANY UNDERGROUND UTILITY.

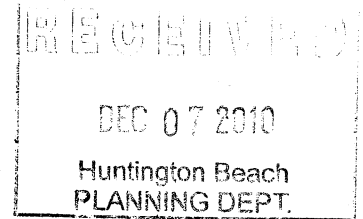
GAFFERT
 DIAL TOLL FREE
 1-800-227-2000
 AT LEAST TWO DAYS
 IMPROVE YOUR BID

ATTACHMENT NO. 3.3

REPORT ON IMPACT OF CONVERSION UPON RESIDENTS

Pacific Mobile Home Park

December 6, 2010



SECTION I. SCOPE OF REPORT

This "Report on Impact of Conversion upon Residents" ("**Report**") is submitted by the "**Applicant**" for a Tentative Tract Map subdividing the Pacific Mobile Home Park ("**Park**") located at 80 Huntington Street, Huntington Beach, CA 92648. The subdivision will be created by the conversion of the Park from rental spaces to resident owned lots. This Report is being filed with the City of Huntington Beach ("**City**") as part of the "**Application**" and is being made available to the Park residents prior to the City's hearing on the Application, pursuant to California Government Code Section 66427.5, a copy of which is attached hereto as Exhibit "1."

This Report contains the Applicant's assessment of the economic impact upon non-purchasing Park residents of conversion to resident ownership as required by Government Code Section 66427.5 (b). The Applicant's assessment is that non-purchasing residents will not be economically displaced because they can continue renting the home site. Rents will not be increased due to the conversion. There are statutory limits on post-conversion rent increases for those non-purchasing residents.

Government Code Section 66427.5 (b) does not require that this Report discuss economic impacts of conversion upon Park residents who choose to purchase their rental spaces. Those residents are not being forced to purchase their spaces. The Applicant need not and indeed is arguably prohibited under the Subdivided Lands Act from disclosing potential lot purchase prices or homeowner association assessments. (*El Dorado Palm Springs Associates v. City of Palm Springs* (2002) 96 Cal.App.4th 1153, 1177)

SECTION II DEFINITIONS

2.1 Conversion Date: The "**Conversion Date**" is the date after the subdivision final map has been approved by the City and after the Department of Real Estate has approved the subdivision for sale and is the date on which the first Lot in the Park is sold. The Applicant is not by this Report committing to make such applications or to any certain Conversion Date.

Report on Impact of Subdivision to Residents

December 6, 2010

Page 2

2.2 Hearing Date: The “**Hearing Date**” is the date on which the subdivision Application is first heard by the City Planning Commission.

2.3 Home: The “**Home**” is the manufactured home that occupies the Space where the Resident is living as of the Hearing Date

2.4 Lot: A “**Lot**” is the land and fixed improvements within the Space on which the Resident’s Home is located as of the Hearing Date.

2.5 Resident: A “**Resident**” is a person living in a Home in the Park who meets the requirements for receiving protections afforded by applicable law.

2.6 Space: The “**Space**” is the leased premises on which the Resident’s Home is located as of the Hearing Date.

SECTION III NON-PURCHASING RESIDENTS WILL NOT BE ECONOMICALLY DISPLACED BY CONVERSION

Non-purchasing Residents will not be economically displaced as a result of conversion. Following the Conversion Date, all Residents will have the opportunity to either purchase the Lot on which their Home is situated or to continue renting their Space. (Govt. Code § 66427.5 (a)) The Application does not encompass rent increases for non-purchasing Residents.

Non-purchasing residents enjoy statutory protections against post conversion rent increases that would not otherwise be available without conversion. (Govt. Code § 66427.5 (f)) Therefore, upon conversion of the Park to resident ownership, non-purchasing Residents are protected against economic displacement, assuming that rent increases could result in economic displacement

3.1 Non-Purchasing Residents Are Protected From Displacement by the Option to Continue Leasing with Statutory Protections Pertaining to Rent Increases

Following the Conversion Date, Residents who do not exercise the option to purchase their Lots and instead exercise the option to continue renting their Spaces are protected from economic displacement by statutory restrictions on rent increases. The statutory provisions limit the amount and timing of rent increases following conversion. (Govt. Code, § 66427.5 (f))

Report on Impact of Subdivision to Residents

December 6, 2010

Page 3

For non-purchasing Residents who are not lower income households, the monthly rent, including any applicable fees or charges for use of any pre-conversion amenities, initially following the Conversion Date may only increase to market levels as determined by appraisal, and then only over a period of four years.

For non-purchasing Residents who are lower income households, the monthly rent, including any applicable fees or charges for use of any pre-conversion amenities, may only increase following the Conversion Date by an amount equal to the average monthly increase in rent in the four years immediately preceding the conversion. Post Conversion Date rent increases for lower income households are further limited in that the monthly rent cannot be increased by an amount greater than the average monthly percentage increase in the Consumer Price Index for the most recently reported period.

To qualify as a Low Income Household in Orange County, the following income limits are estimated for calendar year 2010¹.

Household Size (# of Persons)	1	2	3	4
Income Must be at or Below:	\$52,050	\$59,450	\$66,900	\$74,300

Thus, under the current statutory scheme, the Legislature has defined the exclusive and preempted scope of “mitigations” respecting any “economic displacement” to Residents, assuming, without admitting, that increases in rent can be considered an economic displacement.

3.2 Residents Cannot Be Economically Displaced by Purchase of Their Spaces Because They Are Not Forced to Purchase

Government Code Section 66427.5 (b) does not require that this Report address potential economic displacement upon residents who intend to purchase the Lots on which their Home is situated. The language of Government Code Section 66427.5 is expressly limited to steps intended to avoid economic displacement from conversion upon non-purchasing residents.

The Residents are protected from economic displacement pertaining to potential sale of the Lots upon conversion by having both the option to purchase their Lots at the eventual sales price and the option to continue renting their Space following the Conversion Date. Government Code Section 66427.5 (a) requires the subdivider to “offer

¹ These figures are estimates based on the Applicants’ research. In any event, the relevant date for determination of lower income levels is the date of conversion of the property, which is the date the first lot is sold.

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each Resident an option to either purchase his or her ... subdivided unit, which is to be created by the conversion of the park to resident ownership, or to continue residency as a tenant." Thus, if the Resident cannot purchase his or her Lot, the Resident is not required to move and may continue to rent his or her Space following the Conversion Date.

This Report cannot make determinations about economic impacts to the purchasing Residents. That is because any sale price for the Lots and HOA assessments will not be established until some time after the tentative map subdivision approval. After tentative map approval, the subdivider must next follow procedures and obtain approval for the subdivision from the Department of Real Estate under the Subdivided Lands Act. Only after approval by the Department of Real Estate will all of the factors that affect the purchasing Residents be established. The purchasing Residents will then learn the price for their Lot only after the Department of Real Estate approves the subdivision and issues its public report on the subdivision. Of course, all of this will also require appropriate financing accommodations.

3.3 Benefits of Conversion

Subdivision provides Residents with a choice to own the Lot on which their Home is located. Lot ownership gives the Residents greater flexibility with regard to financing for their Homes and other credit opportunities. The Applicant will try to arrange for preferred lenders who will provide favorable financing terms for the Residents.

Lot ownership allows the Residents to control their economic future. Residents do not have to be tied to monthly rental payments if they choose. Lot ownership also gives the Residents the freedom to use their Lot without all of the restrictions or costs that a landlord might impose. The Residents will have the opportunity to control the Park amenities that they will enjoy and pay for through the HOA.

SECTION IV NO CLOSURE OR CHANGE IN ZONING

4.1 No Change in Zoning or Closure

The Park is currently zoned MHP. The Application does not request a zoning change. The Application does not request closure of the Park. The Application seeks merely to convert the existing Spaces to Lots available for purchase. Therefore, the conversion to Resident ownership will not result in economic displacement that might occur with a zoning change or closure of the Park.

This Report is not required to discuss or provide mitigation against any unlikely future closure or change of use application. It will be unlikely for the Park to close or

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change use following the conversion because of the subdivision of the individual lots and the common area interests. A subsequent closure or change in use would have to take into account rights that Lot owners and the Homeowners' Association will have in their lots and in the common areas following conversion. A different report containing express mitigation pertaining to relocation would be required for any future closure or change of use application, as discussed in Section 4.3 below.

4.2 Technical "Conversion" or "Change in Use" Only

The term "conversion" relating to a mobilehome park sometimes is used to describe the closure of the park to enable an alternative use. This is NOT what is occurring as a result of subdivision of the Park. The Park will remain a manufactured housing community, with the existing Residents having the right to either buy their Lot or to remain and rent their Space.

While conversion of a rental mobilehome park to a Resident-owned mobilehome park is identified as a "change of use" under California Mobilehome Residency law and under the Chapter 234 of the City's Ordinance, it is more accurately described under the Subdivision Map Act as a change in the form of ownership. The Park is not being closed and the Residents are not being required to vacate the property.

4.3 Relocation Assistance Not Applicable

When a subdivision is created from conversion of a rental mobilehome park to resident ownership, a different type of impact report is required than when a subdivision created from a change of use to a non-mobilehome park use or when the mobilehome park is closed.

Government Code Section 66427.5 governs the type of report that must be prepared for a subdivision which is created from conversion of a rental mobilehome park to resident ownership. This Government Code Section 66427.5 Report, which does not deal with a change in use of the property or closure of the Park, is simply required to explain the options of the Residents regarding their choice to purchase their Lot or to rent their Space.

This Report need not discuss displacement of Residents, replacement housing or mitigation of the reasonable costs of relocation, which issues would be involved in any subdivision resulting from a change of use of a mobilehome park or from closure of a mobilehome park. In fact Government Code Sections 66427.4 and 65863.7, which apply to subdivisions created from change of use to a non-mobilehome park use or to closure of a mobilehome park, expressly exempt from their requirements subdivisions that are

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created from conversion of a rental mobilehome park to resident ownership. (See Govt. Code §§ 66427.4 (e), 65863.7 (a))

SECTION V RESIDENT SURVEY

The Park does not have an active homeowner's association so it was not possible to conduct a survey with the agreement of an existing Homeowner's Association. In lieu of that, the park owner, acting through its management company, Newport Pacific, invited all park residents to attend a resident meeting on September 30, 2010 to initiate the survey process through a cooperative process which is described in the attached Declaration of Clarke Fairbrother. As he notes, a second notice went to all residents in the Park, again providing information regarding the subdivision and inviting their participation in the process of developing and conducting the survey.

A copy of the agreed upon survey form is attached to the Fairbrother declaration which also attaches materials which describe the agreed upon survey process. The results of the survey were as follows:

Supporting Subdivision:	58
Decline to State:	3
Do Not Support	4

Thus, of those residents who responded to the survey, the vast majority supported the conversion.

SECTION VI. CONCLUSION

This Report discusses the impacts upon the Residents of conversion to Resident ownership pursuant to subdivision of the Park. Upon conversion, the Residents are statutorily protected from economic displacement by the option to either purchase their Lots or continue renting their Spaces with statutory restrictions on rent increases. Residents with long-term leases will continue to have their rights under the leases after the Conversion Date.

All of the Resident protections discussed in this Report are based upon the Applicant's assessment of the currently existing statutory scheme and facts believed to be true, and are not a promise, representation, or warranty on the part of the Applicant or its agents. The operative date for the time frame and protections described above is the Conversion Date as described in Section 2.1 above. Of course, should the law change, the

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Applicant reserves the right to implement the conversion in accordance with the applicable valid and enforceable laws.

Dated: December 3, 2010

Hart, King & Coldren

By: 

Mark D. Alpert

Attorneys for Applicant

1 I, Clarke Fairbrother, declare:

2 1. I am an individual over the age of 18. I have personal knowledge of the
3 facts set forth in this declaration and could and would testify competently to those
4 facts if called upon at time of trial. I am a principal of Newport Pacific Capital
5 Company, Inc ("Newport Pacific"). The Park is owned by Pacific Mobile Home
6 Park, LLC ("Owner").

7 2. Newport Pacific provides the on and offsite management for Pacific
8 Mobile Home Park, a mobile home park in Huntington Beach, California (the "Park").
9 Neither Newport Pacific nor myself have any ownership interest in the Park.

10 3. The Park does not have an official or unofficial homeowner's association
11 to assist in the conduct of a resident survey of conversion. Rather than simply
12 conducting the survey, Owner chose to provide an opportunity for all of the residents
13 to participate in developing the survey and the conduct of the survey. The Owner
14 called a park wide meeting on September 30, 2010. I conducted the meeting. We
15 provided a basic explanation of the Owner's planned application to subdivide the Park
16 and answered numerous questions. Near the end of the meeting, we invited all those
17 residents who were interested in participating to form a resident committee to work
18 with the Owner in developing the form and process of the survey. The resident
19 committee was made up of each and every resident who wished to participate.

20 4. After the September 30, 2010 meeting for all residents, we followed up
21 with a letter, a copy of which is attached as Exhibit A, in which we reiterated the
22 invitation that all interested residents join the resident committee. As a result, there
23 were a total of 12 residents who joined the committee. The committee members
24 consisted of JulieAnn Rooney; Brad Rhoads; John Reger; Debbie Moore; Antonio
25 Lopez; Connie Brockway; Kris Dgezits; Mary Bieschke; Maria Laurienzo; Christine
26 McClure; John Sisker; and Deborah Lawson- Sisker.

27 5. In the next few weeks, we invited comments and worked with the
28 Committee members to reach an agreement on the final form of the survey submission

1 and the manner of conducting the survey. After receiving comments which were
2 incorporated into a draft survey, on October 29, 2010, I circulated by email the
3 proposed revised draft survey, a proposed "frequently asked questions" letter and
4 proposed plan for conducting the survey and invited the committee members to offer
5 any additional comments or, if they had no proposed changes, that they sign and
6 return an enclosed agreement for conduct of the survey. (See Exhibits B, C & D)

7 5. In response to my email, I received no negative comments or proposed
8 changes to the documents. Four residents on the committee affirmatively expressed
9 their agreement. (See Exhibit E) We received no other comments from any other
10 committee members.

11 6. We initiated the survey on Monday November 8, 2010, conducting the
12 survey in accordance with the procedures set forth in Exhibit D, submitting the survey
13 in the form of Exhibit B and the FAQ in the form of Exhibit D. The survey was to be
14 completed by November 20, 2010. However, we have included in our tabulation
15 several surveys received after that date, as well as 16 unsigned surveys. The results of
16 the tally were as follows:

17 Supporting subdivision:	58
18 Decline to state	3
19 Do Not Support:	4

20
21 I declare under penalty of perjury under the laws of the State of California that
22 the foregoing is true and correct.

23 Executed this 30th day of November at Irvine, California.

24
25 

26 Clarke Fairbrother, Declarant
27
28

Newport Pacific Capital Company, Inc.

October 6, 2010

Residents
Pacific Mobilehome Park
80 Huntington Street
Huntington Beach, CA 92648

EXHIBIT A

Dear Homeowner/Resident:

On September 30, 2010, an informational meeting was held concerning the planned subdivision mapping of Pacific Mobilehome Park. While no sales of lots are planned for the immediate future, we wanted to advise residents about the subdivision process, and provide them with information as to the choices that may be available in the future. **When and if** sometime in the future the owners decide to sell the property to the individual residents, each current homeowner will have the opportunity to purchase their lot and become a landowner. If they chose not to purchase, they still may continue to rent as a tenant.

In the near future, a resident survey about subdivision will be conducted. At the meeting, we asked for volunteers who would like to sit on a resident committee. The purpose of the committee is to provide us with feedback as to the form and content of the resident survey. We'd like to thank the following people who volunteered: Connie Brockway, Maria Lawrenzo, Antonio Lopez, Debbie Moore, John Reger, Brad Rhoads, Julie Ann Rooney, Deborah Sisker, and John Sisker.

If you would like to serve on this committee with the residents listed, please contact Janece Herrington, at Janece@newportpacific. A committee meeting will be scheduled in the near future to review the survey wording and content. After the committee has approved the survey wording, we will mail the survey to each household for your responses.

It is our plan to have a subdivision map filed with the City of Huntington within the next few months. If you have any questions, please call me or email clarkef@newportpacific.com.

Very truly yours,

NEWPORT PACIFIC CAPITAL COMPANY, INC.



Clarke Fairbrother
President

Frequently Asked Questions About Mobilehome Park Subdivision

After the residents are notified of the owner's intent to subdivide, engineers and surveyors prepare a preliminary map to submit to the City. After the subdivision process is completed and if and when the owners decide to sell the property to the residents, each current homeowner will have the opportunity to purchase his or her lot and become a landowner, or continue to rent as a tenant. **No residents will be displaced by subdivision.** The following are some of the common questions asked by residents:

What happens if I do not purchase my lot? Current tenants that do not purchase their lots may elect to **continue as tenants indefinitely**. This commitment applies to the current and future owners of Pacific Park. No current resident will be displaced by the subdivision. Once the park is subdivided, future rent increases for qualified lower income households may increase annually, limited to the lesser of: the average of the increases over the four preceding years, or the current period CPI increase, whichever is the least. For households that do not qualify as lower income, monthly rents will continue to be at market.

How will the common areas be managed after subdivision? The residents that purchase their lots will become members of a Lot Owners Association (LOA). The LOA will own the common area. The LOA will elect a board of directors to set the policies for the operation of the community and hire management. The LOA will require monthly dues for maintenance, operation of common area facilities, and reserves for future capital improvements and replacements.

How can a new Lot Owners Association afford to pay for major replacements? A reserve study will be prepared for approval by the Department of Real Estate before lots are sold. The current owner will fund the replacement reserve for the depreciated portion of common area facilities that will require replacement in the future. The LOA will start with reserves, not from zero.

What other costs will each purchaser pay? Each lot owner will be obligated to pay the property taxes, insurance, association dues and debt service on his or her own lot.

Can I finance the purchase of my lot? Yes. Newport Pacific will help residents locate and work with lenders to finance the purchase of the lot. Residents who purchase a lot will be able to finance both their lot and home together at single-family home rates, as opposed to the much higher personal property interest rates currently available on mobile homes. The home and lot package may provide enough value to fully finance the purchase of the lot.

If I am low income, how can I finance the purchase of lot? Low-income families may be able to obtain below market rate financing with very favorable payment terms from the State of California MPROF Fund and other government sources. Low income financing in other communities has been provided at 3% interest with payments based upon the ability to pay, with unpaid interest deferred until the property is sold.

How will I know the exact boundaries of my lot? The boundaries of the lot will be the same as current boundaries in most cases; some minor adjustments may be required. A preliminary tract map will be prepared in the next few months. After the county approves the preliminary map, the lots will be surveyed and marked. Resident input on the final map will be sought before the map is finalized. Each purchaser will get a grant deed for their individual lot and a proportionate share in the LOA, which will own the common area.

What is the difference between the proposed lot subdivision and a resident association purchasing the park?

With the lot subdivision each homeowner will be able to purchase and finance their lot as they individually choose. When the ownership of the home is merged with the lot, lenders will use single-family real estate rates and criteria for the loans. Interest rates will be lower and the amortization period will be longer. Individuals will only be responsible for the purchase of their own lot. Those homeowners that do not purchase will be able to remain as tenants and continue to pay rent. The current owner will retain the unsold lots and pay the association dues for those lots. We believe that lot ownership is the best form of resident ownership.

With resident association purchase, the association would need to obtain capital and finance the purchase of the entire park. All residents would continue to pay rent to the resident association as the new owner. Homes would continue to be financed as personal property, not as real estate.

How much will my lot cost and what will the monthly association dues be? The lot cost and association dues will not be known until much later in the process. After the final map is approved by the County and recorded, the owner will engage an appraiser to determine the value of the lots. Before the owner is allowed to quote prices for the lots or enter into contracts, a subdivision disclosure report (including prospective pricing, an association budget and an association reserve analysis) will be approved by the California Department of Real Estate. After the DRE report is approved, lot prices and association dues information will be available and the lots can be offered for sale. The total processing for all steps is expected to take about two years. Appropriate financing must be available in the marketplace before the owners will start offering the lots for sale.

Will the subdivision ensure that the property will always be a mobilehome park? The property has been under the same ownership for many years and the owners do not have plans to sell the property in the immediate future. By applying for a subdivision map the owners are indicating that they believe that selling individual lots to the residents is a viable method for selling, if and when they decide to sell the property.

How will having a subdivision map in place tie into the City's current relocation ordinance? We do not see the subdivision having any effect on relocation requirements.

How does the subdivision affect affordable housing? Affordable housing is a term used by Cities in goals set by State and Federal government for housing programs. Mobilehome parks are arbitrarily counted as affordable housing even though there are no income limitations on living in a mobilehome park as there are in "affordable" apartments. We do not think that the subdivision map will have any impact.

Until the residents own 51% of the lots, how will their input and concerns be handled? Lot owners will elect the Lot Owners' Association board. The current owner will have a majority of the board positions as long as they have a majority of the lots, however individual lot owners will be included on the board from the beginning. The Lot Owners' Association board will set policies and hire professional management to oversee the maintenance of the common area and handle the financial affairs of the Association. The operations will continue to be regulated by the California Department of Housing and Community Development (HCD).

What happens if the current owners sell their interest in the unsold lots to a third party owner? The current owner, and any subsequent owners, must comply with State law concerning subdivided lots. Residents will be allowed to continue to rent for as long as they want. Low and moderate-income residents rent increases will be limited to CPI during their continued rental. When the current resident sells his home, the buyer may be required to purchase the lot or remove the home. The ability to provide the lot with the house upon sale may increase the value of the house.

How will the lots be valued? Just before lot sales begin, an appraiser will be hired to value the lots. He will likely use data from the sale of other lots in the area to determine value of the lots. The size and location of the lot within the park will be considered in determining the value of each lot.

What assurance is available that the lot pricing will be fair? If and when the owners want to sell lots, they will want to sell as many lots as possible in as short a time as possible. To sell the lots quickly the owners may offer discounts from market value to sell the lots as quickly as possible.

If I do not buy my lot when first offered, will I have a chance to purchase later? Yes. If and when the owners decide to sell, they will want to sell all of the lots. The expectation is that the lots will be sold over several years.

Why are some resident associations opposed to subdivision? Some residents in rent controlled areas believe that subdivision will take away some of the benefits accorded by the existing local rent control ordinance. Since there is no rent control in Huntington Beach, this logic does not apply. Web sites where this issue is discussed do not make this distinction.

How does this subdivision vary from other mobilehome park subdivision in Huntington Beach? Without knowing anything about the other subdivisions, it is likely similar except that

this owner does not plan to make any lot sales in the immediate future. This map is being put in place to provide for a method of sale in the future.

What relationship does Newport Pacific have with Pacific Park? Newport Pacific is the property management company hired by the owners to operate the property. Newport Pacific does not have an equity interest in the property.

Subdivision provides a tremendous **opportunity for the residents of the community to obtain true real estate equity.**

October 31, 2010

**PACIFIC MOBILEHOME PARK
RESIDENT SUPPORT SURVEY AGREEMENT**

EXHIBIT C

Government Code Section 66427.5 (d) requires that the owners of a mobilehome park that seeks to convert the park to resident ownership obtain a survey of resident support to be considered by the local agency with the subdivision application. The purpose of this Agreement is to document the terms under which the resident survey is to be conducted and the form of the survey to be used.

1. Survey Form. The survey ballot form that shall be used for the survey of resident support for the conversion will be in substantially the form of Attachment 1. The enclosed Frequently Asked Questions will also be mailed at that time.
2. Conduct of Survey. The Newport Pacific shall be responsible for distributing the ballots to all resident households, with a single ballot per space, with an envelope to be used to return the survey. Residents have the option of signing their survey or returning it without signature. The homeowners will be instructed to return the survey in the envelope sealed to the office of Newport Pacific by mail. The survey will be distributed on November 5, 2010. The homeowners shall have 15 days to return the survey.
3. Tabulation of Results. On the 20th day following distribution of the survey, members of the Newport Pacific accounting staff will open the envelopes and tabulate the results of the completed forms.

On Behalf of Park Owner:

Signature: _____ Date: _____

Print Name: _____

On Behalf of Homeowners' Committee, (signatures may be obtained on separate copies of the agreement).

Signature: _____ Date: _____

Print Name: _____

Signature: _____ Date: _____

Print Name: _____

Signature: _____ Date: _____

Print Name: _____

Signature: _____ Date: _____

Print Name: _____

Signature: _____ Date: _____

Print Name: _____

Signature: _____ Date: _____

Print Name: _____

PACIFIC MOBILEHOME PARK**Draft October 31, 2010****CA Government Code 66427.5(d)(1) SURVEY OF RESIDENTS**

This Survey requests information in two categories: (1) support for the proposed subdivision to allow residents purchase their individual lots and (2) demographics of your household. Each household should complete one (1) Survey and mail the completed Survey to Newport Pacific Capital Company, Inc. 17300 Red Hill Ave., Suite #280, Irvine, CA 92614 in the enclosed self-addressed envelope by November 15, 2010. **If there are sections of the Survey for which you do not have information or do not wish to answer, simply skip those questions.** No one in the Park will see the individual Surveys; however, it is possible that local government agencies will receive copies of the Surveys and your survey may become public record. The only information that will be provided to resident households or the management is a summary of the data gathered. The income level information is requested so that we can estimate the volume of low and moderate income financing that we might need when arranging for purchaser financing.

SECTION I.**Survey**

The goal of the proposed subdivision is to provide individual titled lots in the Mobilehome Park, which in the future will allow the owners to offer residents the choice owning or renting their lots. If and when the owners decide to sell lots, residents will be able purchase their lots or may continue to rent the lot (space) on which their mobile home is located. You can support the subdivision map without a personal desire to purchase your lot. Pursuant to *California Gov't Code section 66427.5(d)(1)*, please check one box below:

1. ☐ I support the subdivision map of the mobilehome park which, if and when the owners decide to sell lots, will give me the option to buy my lot, if the purchase price of my lot [lot + percentage ownership of common areas & facilities] is affordable to me.
2. ☐ I support the subdivision map which, if and when the owners decide to sell lots, will give me the option to buy my lot, but I am low income/moderate income household and will need financial assistance to be able to purchase my lot. [See "Household Size & Income Level" chart on page 2].
3. ☐ I support the subdivision map which, if and when the owners decide to sell lots, will give me the option to buy my lot, however I believe that I would continue to rent.
4. ☐ I decline to respond at this time.
5. ☐ I do not support the subdivision of the park.

This Survey does not constitute an offer to sell a real estate interest in Pacific Mobilehome Park. An offer to sell can only be made after the issuance and delivery of the Final Public Report along with all statutorily required documents, including, without limitation, the HOA Budget, the Purchase/Sale Agreement, the HOA Articles & Bylaws, and the Declaration of Conditions, Covenants & Restrictions (CC&R's).

BY PROVIDING THE INFORMATION REQUESTED IN THIS SURVEY, YOU ARE NOT COMMITTING YOURSELF TO ANY DECISION WITH RESPECT TO THE SUBDIVISION MAP, INCLUDING, WITHOUT LIMITATION, WHETHER YOU WANT TO RENT OR TO PURCHASE.

SECTION II.
Demographic Information

1. Is your home in Pacific Mobilehome Park your primary residence?
[] YES [] NO

2. How many people [of all ages] live in your home? _____
 a. Number of Older Person [55 & older]: _____
 b. Number of Adults [18 & older]: _____
 c. Number of Children [under 18]: _____

3. Which category does your household's total gross income, before taxes, fall into?
[Check only one box below]

HOUSEHOLD SIZE AND INCOME LEVELS

Check only one Box	Income Levels	1 Person Household	2 Persons Household	3 Persons Household	4 Persons Household
	Very Low	\$19,500 or less	\$22,300 or less	\$25,100 or less	\$27,850 or less
	Lower	More than \$19,500 but less than \$32,550	More than \$22,300 but less than \$37,200	More than \$25,100 but less than \$41,850	More than \$27,850 but less than \$46,450
	Median	More than \$32,550 but less than \$39,060	More than \$37,200 but less than \$44,640	More than \$41,850 but less than \$50,220	More than \$46,450 but less than \$55,740
	Moderate	More than \$39,060 but less than \$52,050	More than \$44,640 but less than \$59,450	More than \$50,220 but less than \$66,900	More than \$55,740 but less than \$74,300
	Greater than Moderate	More than \$52,050	More than \$59,450	More than \$66,900	More than \$74,300

The State of California currently has a loan fund (MPROP) that provides assistance to low and moderate-income households at 3% interest with no payments until the lot is resold. The above financial information will be helpful when applying for a funding commitment. You are not obligated to provide this information.

This Survey does not constitute an offer to sell a real estate interest in Pacific Mobilehome Park. An offer to sell can only be made after the issuance and delivery of the Final Public Report along with all statutorily required documents, including, without limitation, the HOA Budget, the Purchase/Sale Agreement, the HOA Articles & Bylaws, and the Declaration of Conditions, Covenants & Restrictions (CC&R's).

BY PROVIDING THE INFORMATION REQUESTED IN THIS SURVEY, YOU ARE NOT COMMITTING YOURSELF TO ANY DECISION WITH RESPECT TO THE SUBDIVISION MAP, INCLUDING, WITHOUT LIMITATION, WHETHER YOU WANT TO RENT OR TO PURCHASE.

4. Information on your Mobile home:
- a. Make/Model of Mobile home: _____
 - b. Year of Manufacture: _____
 - c. Size of Mobile home: (i.e.: 24 x 52) _____
 - d. Number of Bedrooms: _____
 - e. Do you have a mortgage on your home? ☐ YES ☐ NO
If yes,
 - i. What is the balance owed? _____
 - ii. What is the monthly payment? _____

THANK YOU FOR TAKING THE YOUR TIME TO RESPOND TO THIS SURVEY!

Providing your name and address is optional. The survey results will be presented in a summary form to the City. The City may request copies of the individual responses and therefore your survey would become a part of the public record.

Date: _____

Date: _____

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Address: _____

Address: _____

Day Tele: _____

Day Tele: _____

This Survey does not constitute an offer to sell a real estate interest in Pacific Mobilehome Park. An offer to sell can only be made after the issuance and delivery of the Final Public Report along with all statutorily required documents, including, without limitation, the HOA Budget, the Purchase/Sale Agreement, the HOA Articles & Bylaws, and the Declaration of Conditions, Covenants & Restrictions (CC&R's).

BY PROVIDING THE INFORMTION REQUESTED IN THIS SURVEY, YOU ARE NOT COMMITTING YOURSELF TO ANY DECISION WITH RESPECT TO THE SUBDIVISION MAP, INCLUDING, WITHOUT LIMITATION, WHETHER YOU WANT TO RENT OR TO PURCHASE.

From: Clarke Fairbrother [clarkef@newportpacific.com]
Sent: Tuesday, November 30, 2010 11:43 AM
To: Mark Alpert
Subject: FW: Pacific Mobile Home Park Notes: Survey & FAQ's
Attachments: Resident Supprot Survey Agreement.pdf

EXHIBIT E

-----Original Message-----

From: Debbie Moore [mailto:Debbie.Moore@stjoe.org]
Sent: Thursday, November 04, 2010 2:39 PM
To: Clarke Fairbrother
Subject: RE: Pacific Mobile Home Park Notes: Survey & FAQ's

Hello Clark,
 I have read through all the documents and agree that everything looks fine. I have also attached a copy of the Resident Support Survey Agreement with my signature for your files.

Thank you,
 Debbie

From: Clarke Fairbrother [mailto:clarkef@newportpacific.com]
Sent: Thursday, November 04, 2010 2:21 PM
To: mbies15989@aol.com; cbrockway@socal.rr.com; kris4933@hotmail.com; gdlzap123@yahoo.com; debbie.moore@stjoe.org; nolimepublishing@aol.com; brad@bradfordrhoads.com; jrooney@socal.rr.com; dsisker@sprynet.com; jsisker@sprynet.com; docmcclure@yahoo.com; angels4M@aol.com
Cc: Janece Herrington
Subject: FW: Pacific Mobile Home Park Notes: Survey & FAQ's

I have received emails from John Reger and John Sisker indicating that the enclosed revised survey and other information looks fine. I have not received any other comments.

I understand that there is not a formal homeowner's association, but your review of the form of the survey and frequently asked questions helped create the final form of the documents. **Please sign a copy of the Agreement with Homeowners**, which only indicates that you had an opportunity to make comments, and send it back to me for my files (scan and email, fax or mail). Fax number is 949-852-5582. The address is 17300 Redhill Suite 280, Irvine, Ca 92614.

We plan to mail revised survey and frequently asked questions to all of the residents next week.

I will be out of the office for two weeks starting next Monday. If you have any questions during that period of time, please contact Janece Herrington.

Clarke Fairbrother
 Office 949-852-5575

-----Original Message-----

From: Clarke Fairbrother
Sent: Friday, October 29, 2010 11:09 AM
To: 'mbies15989@aol.com'; 'cbrockway@socal.rr.com'; 'kris4933@hotmail.com'; 'gdlzap123@yahoo.com'; 'debbie.moore@stjoe.org'; 'nolimepublishing@aol.com'; 'brad@bradfordrhoads.com'; 'jrooney@socal.rr.com'; 'dsisker@sprynet.com'; 'jsisker@sprynet.com'; 'docmcclure@yahoo.com'; 'angels4M@aol.com'

12/1/2010

ATTACHMENT NO. 5.13

Cc: Janece Herrington

Subject: FW: Pacific Mobile Home Park Notes: Survey & FAQ's

Enclosed are the notes that I recieved from John.

The attached survey and frequently asked questions have been revised to incorporate all of his points.

Also attached is document that outlines how the survey is to be conducted.

Please give me your comments if any in the next few days.

We would like to get this survey and frequently asked questions in the mail next week.

If you can not open the documents, I can send PDF versions or get them to you another way.

If you have questions, send me an email with a good time and number to call. I am available this Saturday if you would like to discuss anything.

Clarke Fairbrother
Office 949-852-5575

The Survey:

Note: This 'Survey' is just to show a tentative interest among us residents, and does not commit anyone to anything. It is just for informational purposes only.

One of the most important factors and questions on this 'Survey' is actually Question No. 1 of Section I, that one would indeed be interested if it is affordable to them. That is a key factor for this park and should always be emphasized.

This 'Survey' is okay as is, with the exception of Question Number 3. It is felt that some people may be a bit reluctant to divulge their income level, possibly feeling it is an invasion of privacy. Therefore, while we still feel this information is important and should be included, we would like to see some type of wording as to just why this information is needed at this time, and as to what will be done with it.

Also, we like to see a place for residents to leave their name and contact information if they so wish, but to also emphasize that this information is entirely optional.

Frequently Asked Questions:

Frequently Asked Questions About Mobile Home Park Subdivision (and how it relates to Pacific Mobile Home Park)

We would like to see the original FAQ's information included again with the revised 'Survey' but also expanded to include the following questions, along with Newport Pacific Capital's response...

- **Will this subdivision secure our park as a mobile home park well into the future, and how will this tie-in with the current City's Relocation Ordinance, along with the effects on affordable housing?**
- **Unless the residents have 51% interest in the park, how will their input and concerns be of any value? And what happens to those that do purchase their lot, if the current park owners sell to outside interests anyway?**
- **Once a survey on lot lines is confirmed, how will this be enforced, and is the value of each lot based on**

12/1/2010

ATTACHMENT NO. 5.14